
Testimony on:
Kansas Health Policy Authority Update

presented to:
Joint Committee on Health Policy Oversight

by:
Connie Hubbell
Chairperson, Kansas Health Policy Authority Board

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For additional information contact:

Luke Thompson
Kansas Health Policy Authority

Landon State Office Building
900 SW Jackson Street, Suite 900
Topeka, KS 66612
Phone: 785-296-3981
Fax: 785-296-4813

Agency Website: www.khpa.ks.gov
Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health
Benefits and Plan Purchasing:
Phone: 785-296-6280
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

**Joint Committee on Health Policy Oversight
October 16, 10:00 am**

Kansas Health Policy Authority Update

Good morning Mr. Chairman and members of the Committee. I appreciate the opportunity to update the Joint Committee on Health Policy Oversight regarding the Kansas Health Policy Authority's activities since I last testified on August 23, 2006. In addition, it is my pleasure to be here today to provide you information regarding the broad vision and goals of the Authority.

The Authority has taken on a number of initiatives over the past three months since we became a new independent agency in July of this year. In addition to developing and approving our first budget in a little over a month as I described to this Committee in August, the agency has:

- Reorganized to reflect an increased focus on financial and budget responsibility and sustainability, promoting Scott Brunner to the new Chief Financial Officer;
- Collaborated with the Kansas Hospital Association and the Health Care Assessment Panel to ensure the Provider Assessment approved from CMS last year is considered a top priority in any reforms to the Kansas Medicaid Program;
- Developed a new website, which is updated daily, to better inform consumers, providers, and purchasers about our programs and policies. This website includes detailed information about the Health Policy Authority Board's progress, including a summary of three recent townhall meetings we conducted across the State;
- Developed a Center for Medicare and Medicaid Services (CMS) audit and deferral workplan in close collaboration with the Governor's office, our partner Executive Agencies, and the CMS Regional Office in order to resolve outstanding administrative and payment issues; Dr. Barb Langner will be the Project Manager;
- Hired a new general counsel, Marta Linenberger, and a new Director for the State Employees Health Benefits (SEHBP) program, L.J. Frederickson;
- Conducted our first policy planning meeting for hospitals who receive Disproportionate Share for Hospitals (DSH) in order to ensure that the State formula that provides DSH funding is equitable to hospitals who serve Medicaid and uninsured patients;
- Analyzed health promotion and disease prevention data from the SEHBP plan and met with leaders from other States in order to begin planning for our shift in focus from health care services to improved health status in Kansas;
- Created a Deficit Reduction Act (DRA) Interagency Planning Group to consider new flexibilities for developing a Medicaid Reform plan for Kansas;
- Developed a weekly employee newsletter to better communicate with and engage our employees, began quarterly "townhall meetings" with employees, and will be conducted a survey this week to ensure that we are creating a productive and rewarding work environment;
- Made numerous presentations to – and had numerous discussions with – multiple Kansas stakeholders including physicians, hospitals, nurses, public health professionals, mental health advocates, etc. regarding health policy initiatives;
- Signed new contracts for Medicaid managed care with two contractors, which will save the State between \$10 and \$15 million annually – this will be described in more detail in Dr. Nielsen's testimony;

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In terms of a vision and broad goals for the Authority -- which is the purview of the Health Policy Authority Board -- the legislation is clear. The Kansas Health Policy Authority shall develop and maintain a coordinated health policy agenda that combines the effective purchasing and administration of health care with health promotion oriented public health strategies. The powers, duties, and functions of the Authority are intended to be exercised to improve the health of the people of Kansas by increasing the quality, efficiency, and effectiveness of health services and public health programs.

At the Board Retreat held in February 2006, there were a number of strategies and long-term goals developed to assist the Board in meeting its broad mission and charge. Using these strategies as a guideline, the Board, during recent meetings and after many spirited discussions, identified overall priorities and goals for the Authority. At our September 2006 meeting, the Board refined the draft Vision Principles to include the six areas as described below. Although these Vision Principles are still in draft form, we anticipate that we will adopt a similar version.

- Access to Health Care
- Quality and Efficiency in Health Care
- Affordable and Sustainable Health Care
- Promoting Health and Wellness
- Stewardship
- Education and Engagement of the Public

Access to Health Care. The intent of the first vision principle, Access to Health Care, is that Kansans should have access to patient-centered health care and public health services which ensure the right care, at the right time, and at the right place. The Authority will analyze and seek to eliminate the many barriers Kansans face in attaining preventive health services. This includes making available non-emergent care options for uninsured populations seeking primary care services.

Quality and Efficiency. The second principle, Quality and Efficiency, addresses how the health delivery system in Kansas should focus on quality, safety, and efficiency, and be based on best practices and evidence-based medicine. It also means that health promotion and disease prevention should be integrated into the delivery of health services. Addressing quality and safety are very important in ensuring that Kansans receive the appropriate care to prevent further health complications. Ensuring that Kansans receive appropriate care, while containing costs, is a challenge for all health care providers. A great deal of work is currently being done in the field of health information technology and exchange. Several initiatives currently underway include the Governor's Health Care Cost Containment Commission (staffed by the Authority), Advanced Technology ID cards, and the Community Health Record of which e-prescribing is a critical part. You will hear more on the e-prescribing component this afternoon by Karen Braman, the Director of Quality and Innovation for the Authority. Evidence-based medicine is the conscientious, explicit and judicious use of the current best evidence in making decisions about the care of individual patients. Employing these concepts yields efficiency in health finance, and that leads to the next principle.

Affordable and Sustainable Health Care. The third principle, Affordable and Sustainable Health Care, speaks to the financing of health care in Kansas and how it should be equitable, seamless, and sustainable for consumers, purchasers, and government. Regardless of geography or insurance status, access to affordable health care must meet the varying needs of Kansans across the State. Kansans should be able to depend upon a stable health system for their families without undermining the economic growth of our State.

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Health and Wellness. The next principle, Promoting Health and Wellness, emphasizes that Kansans should pursue healthy lifestyles with a focus on wellness – to include physical activity, nutrition, and refraining from tobacco use – as well as through the informed use of health services over their life course. Whenever possible, the Authority intends to implement programs that seek to encourage Kansans to improve their own health. These programs will include evaluation, education, and even incentives. Combined with incentives, providing affordable health care for Kansans may result in more individuals taking advantage of preventive services. Additionally, we will encourage partnerships among health care providers and patients, and incentives for providers and beneficiaries to promote prevention and healthy behaviors will need to be explored.

Responsible Stewardship. The next principle, Stewardship, means that the Authority will operate with the highest level of integrity, responsibility, and transparency for the resources entrusted to us by the citizens and the State of Kansas. First and foremost, the members of the Authority Board will make every effort to ensure that the policy options we put forth balance the best interests of all involved parties, including taxpayers and those that need and provide health services. At the same time, the State has created this as an independent agency to encourage decision making and idea fostering with regard to health care to not be affected by other political forces that commonly affect State agencies. The Authority plans to take advantage of this objective decision making environment that holds such a noble goal in the forefront.

Education and Engagement of the Public. Last but not least, Education and Engagement of the Public calls for efforts to educate Kansans about both health and health care delivery to encourage public engagement in developing an improved health system for all Kansans. One of the greatest challenges of the health system is communicating its issues outside of the health community. The system is complicated and as a result, it is easy for the public to be disengaged. And yet, every Kansas family is directly affected by their and others' health care costs. This is the reason that the Authority seeks to engage the public in the discussion about improving our health system and also our personal responsibility for our own health.

As additional follow-up from my previous testimony, I wanted you to be aware that we have updated the Organizational Chart for the Kansas Health Policy Authority, given some of the recent changes in agency staff that has taken place over the past couple of months. It is available on the Authority website at www.khpa.ks.gov, and is attached here.

In summary, the draft vision principles will be finalized and will be used to help guide the Authority in the direction of formulating a comprehensive health agenda to achieve the goals laid out by the legislature. We look forward to working closely with you to advance these ambitious goals to improve the health of all Kansans. I thank you for your time and welcome any of your questions.